

Market Street Pharmacy: Local Business With A Positive Social Impact

By Shelley L. Cook

Sheila Tucker worked as a pharmacist for more than 20 years in several chain pharmacies, hospitals, nursing homes and as a consultant, and while she liked her job, she wanted her own business.

"I always knew I wanted to have my own pharmacy," Tucker said. "I just didn't have a clue as to how I was going to do it."

Tucker found help at the Small Business Development Center in Wilmington and funding through the U.S. Small Business Administration (SBA) to make her vision of owning a pharmacy reality.

In 2003, a store-front location at 1914 North Market Street in the Brandywine Village became available for rent and the building owner approached Tucker about opening a business. The owner even offered her six months free rent as an incentive to get Market Street Pharmacy up and running.

Tucker contacted the Greater Brandywine Village Revitalization staff, who happened to be looking for an entrepreneur to open the first independent pharmacy in the area and they helped her identify resources to help get the business operating.

A graduate of Virginia Commonwealth University and Temple University School of Pharmacy, Tucker approached John Simpson, a colleague with whom she had worked in a pharmacy previously, to be a co-owner.

“You want to jump in?” I asked him,” Tucker said. “I was leery myself and then all the doubts came.”

Opening an independent pharmacy daunted Tucker. Only a handful of independent pharmacies operate in New Castle County and often they do not provide the full range of services and products of large chain pharmacies.

The fears subsided with guidance from counselors at the Small Business Development Center, an SBA resource partner, who helped Tucker analyze the area’s demographic data, build financial models for the new store, develop a loan package, and choose business service vendors. According to John Osoinach, director of the New Castle County SBDC office, “The SBDC was able to step in and provide just the right help at just the right time, and that was a key to making the project a success.”

Tucker and Simpson, both first-time business entrepreneurs, initially funded the business with personal money; the pharmacy's floors needed to be cleaned and shelves installed. With their personal money running low, the owners still needed funding to buy the inventory to stock those new shelves.

Initially, three banks rejected Tucker and Simpson for loans, but the SBA's loan guarantee programs allowed Tucker and Simpson to secure the required funding. The Market Street Pharmacy opened in September 2003 and in December two SBA-backed 7(a) loans were approved through Wilmington Trust totaling almost \$200,000.

George Mills of Wilmington Trust worked with the pharmacy owners to acquire the loan. He knew owners had the practical experience to operate a pharmacy but had to consider the added responsibility of managing the business, ordering supplies, marketing and supervising employees when approving the loan.

“With the help of the SBDC working with the owners to put together a business plan and the SBA's guarantee of the loan Wilmington Trust was able to approve the loan overcoming all the perceived risks associated with lending to a start-up business,” Mills said.

The SBA's 7(a) Loan Guaranty Program operates through private-sector banks that provide small business loans guaranteed by the SBA. Providing this guaranty, the SBA helps many small businesses like Market Street Pharmacy obtain financing to start, build and grow their operations.

The pharmacy's growth is already evident. Sales in 2006 totaled \$1.1 million, up from almost \$900,000 in 2005. The Market Street Pharmacy operates six days a week and fills 100 prescriptions a day, but Tucker's expects to fill 350 per day soon with expanded service to most insurance plans.

In April 2007, Tucker and Simpson opened a second location at 1624 Jessup Street in Wilmington. Word is spreading about the new pharmacy, which fills 10 to 12 prescriptions a day and continues to grow. The stores provide prescription drugs, over-the-counter medicine and convenience store items in the low-income and disadvantaged neighborhood and employ seven employees, four of whom are full time.

Both pharmacies provide an essential service and operate in underserved neighborhoods where most of the clients earn too much income to be covered by Medicaid, but not enough to afford health insurance. Market Street Pharmacy can more easily serve these communities as a member of the federal 340B Drug Pricing Program, which provides access to reduced price prescription.

A common vision and hard work helped Tucker and Simpson launch the business while managing their personal lives, spouses and children and the business.

“This is a lot of work, but we see eye-to-eye,” Tucker said. “We have the same vision. We have lots of plans.”

The co-owners plan to operate five stores, the third of which is already in the development stages.

Tucker suggests finding a niche within the industry, which for the pharmacy business means a privately-owned operation and allows her to use her discretion to give discounts and provide special arrangements for regular customers.

Tucker's advice for anyone considering opening a business: “Go for it. It can be rewarding.”

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